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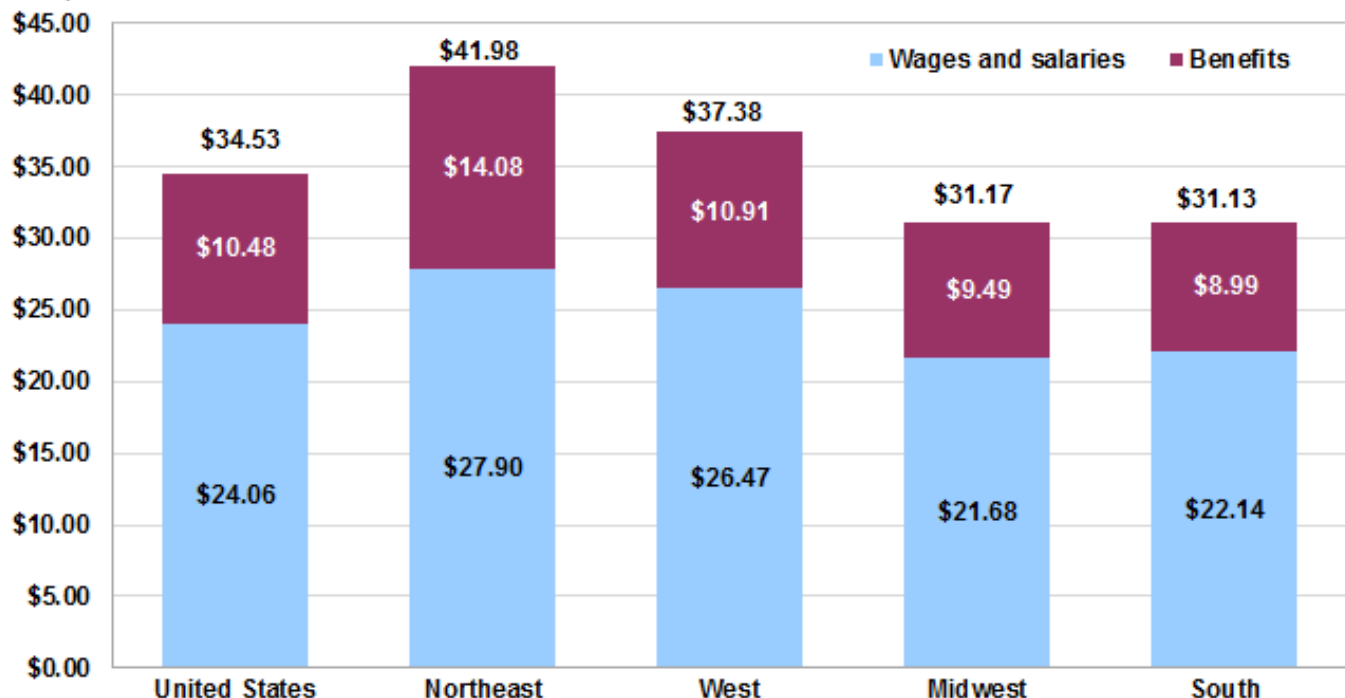
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Employer Costs for Employee Compensation for the Regions – September 2018

Private industry employer costs for employee compensation among the four regions of the country ranged from \$31.13 per hour in the South to \$41.98 in the Northeast during September 2018, the U.S. Bureau of Labor Statistics reported today. In the other two regions, hourly employer costs for employee compensation stood at \$31.17 in the Midwest and \$37.38 in the West. (See [chart 1.](#)) In addition to regional estimates, employer costs for nine smaller geographic divisions are also available. Within divisions, total compensation costs ranged from \$26.87 per hour in the East South Central division to \$42.06 in the New England division. (See [table 1.](#)) Employer Costs for Employee Compensation (ECEC) are based on the National Compensation Survey, which measures employer costs for wages, salaries, and employee benefits. (Geographic definitions of the regions and divisions follow in the [Technical Note.](#))

Chart 1. Employer costs per hour worked for employee compensation in private industry by region, September 2018

Cost per hour worked



Note: The sum of individual items may not equal totals due to rounding.
Source: U.S. Bureau of Labor Statistics.

In the Northeast, hourly total compensation costs in September 2018 were comprised of the following: wages and salaries (\$27.90) made up 66.5 percent, while total benefits (\$14.08) accounted for the remaining 33.5 percent. Among benefit costs, insurance, which includes life, health, and short- and long-term disability, averaged \$3.41 per hour worked, or 8.1 percent of all compensation costs, the highest share for Northeast employers. Costs for paid leave, which includes vacation, holiday, sick, and personal leave, averaged \$3.14 per hour worked, accounting for 7.5 percent of total compensation costs. Legally required benefits, which include Social Security, Medicare, unemployment insurance (both state and federal), and workers' compensation, averaged \$3.10 per hour and represented 7.4 percent of total compensation costs.

In the West, hourly wages and salaries averaged \$26.47 and accounted for 70.8 percent of all compensation costs. Total benefits averaged \$10.91, or 29.2 percent of compensation costs. Legally required benefits averaged \$3.00 per hour worked, the highest benefit cost, and accounted for 8.0 percent of total compensation costs in the West. Insurance benefits averaged \$2.85 per hour and represented 7.6 percent of employer costs, while paid leave averaged \$2.61 per hour, or 7.0 percent of total compensation costs.

The Midwest region recorded an hourly wage and salary average of \$21.68 in September 2018, which represented 69.5 percent of all compensation costs. Total benefits averaged \$9.49 and accounted for the remaining 30.5 percent of total compensation costs. The three highest major categories for employer benefit costs were: insurance benefits (\$2.70 per hour worked), legally required benefits (\$2.47), and paid leave (\$2.10). These categories represented 8.7 percent, 7.9 percent, and 6.7 percent, respectively, of total employer compensation costs in the Midwest.

In the South, wages and salaries averaged \$22.14 per hour and comprised 71.1 percent of total employer compensation costs, while benefits, at \$8.99 per hour, accounted for the remaining 28.9 percent. Insurance benefits averaged \$2.35 per hour worked, the highest benefit cost, closely followed by legally required benefits at \$2.33 per hour. Respectively, these categories accounted for 7.6 percent and 7.5 percent of total compensation costs in the South. Paid leave was the third-highest benefit cost and averaged \$2.12 per hour, accounting for 6.8 percent of employer compensation costs in the region.

Overall, compensation costs among private industry employers in the United States averaged \$34.53 per hour worked in September 2018. Wages and salaries, at \$24.06 per hour, accounted for 69.7 percent of these costs, while benefits, at \$10.48, made up the remaining 30.3 percent.

The December 2018 national release on Employer Costs for Employee Compensation is scheduled to be released on Tuesday, March 19, 2019, at 10:00 a.m. (EDT).

Technical Note

Employer Costs for Employee Compensation (ECEC) measures the average cost to employers for wages and salaries and benefits per employee hour worked.

Employer Costs for Employee Compensation data in this release cover private industry. Excluded from private industry are the self-employed and farm and private household workers. The cost levels for this quarter were collected from a probability sample of approximately 27,000 occupational observations selected from a sample of about 6,500 establishments in private industry. The private industry sample is rotated over

approximately five years, which makes the sample more representative of the economy and reduces respondent burden. Data are collected for the pay period including the 12th day of the survey months of March, June, September, and December.

Employer Costs for Employee Compensation data on total compensation, wages and salaries, and benefits in private industry are produced annually in the March reference period for 15 combined and metropolitan statistical areas (CSA and MSA). Further information about metropolitan area ECEC estimates is available at www.bls.gov/opub/mlr/cwc/bls-introduces-new-employer-costs-for-employee-compensation-data-for-private-industry-workers-in-15-metropolitan-areas.pdf.

For detailed information on ECEC, see “National Compensation Measures,” of the *BLS Handbook of Methods* at www.bls.gov/opub/hom/ncs/home.htm.

Current and historical BLS data are also posted on our Web site at www.bls.gov/ect.

Information from the Employer Costs for Employee Compensation program is available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Regional definitions

Northeast region

- New England division: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
- Middle Atlantic division: New Jersey, New York, Pennsylvania

Midwest region

- East North Central division: Illinois, Indiana, Michigan, Ohio, Wisconsin
- West North Central division: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

South region

- South Atlantic division: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
- East South Central division: Alabama, Kentucky, Mississippi, Tennessee
- West South Central division: Arkansas, Louisiana, Oklahoma, Texas

West region

- Mountain division: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
- Pacific division: Alaska, California, Hawaii, Oregon, Washington

Table 1. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by census region and division, September 2018

Compensation component	Census region and division ⁽¹⁾					
	Northeast		Northeast divisions			
	Cost	Percent	New England		Middle Atlantic	
			Cost	Percent	Cost	Percent
Total compensation	\$41.98	100.0	\$42.06	100.0	\$41.95	100.0
Wages and salaries	27.90	66.5	28.84	68.6	27.60	65.8
Total benefits	14.08	33.5	13.22	31.4	14.35	34.2
Paid leave	3.14	7.5	3.25	7.7	3.11	7.4
Vacation	1.62	3.9	1.71	4.1	1.59	3.8
Holiday	0.92	2.2	0.98	2.3	0.90	2.1
Sick	0.41	1.0	0.39	0.9	0.42	1.0
Personal	0.20	0.5	0.18	0.4	0.20	0.5
Supplemental pay	(*)2.72	6.5	1.37	3.3	(*)3.16	7.5
Overtime and premium ⁽²⁾	0.28	0.7	0.25	0.6	0.30	0.7
Shift differentials	0.09	0.2	0.14	0.3	0.07	0.2
Nonproduction bonuses	(*)2.35	5.6	0.98	2.3	(*)2.79	6.7
Insurance	3.41	8.1	3.63	8.6	3.34	8.0
Life	0.05	0.1	0.05	0.1	0.05	0.1
Health	3.19	7.6	3.40	8.1	3.13	7.5
Short-term disability	0.11	0.3	0.10	0.2	0.11	0.3
Long-term disability	0.05	0.1	0.08	0.2	0.05	0.1
Retirement and savings	1.70	4.1	1.97	4.7	1.61	3.8
Defined benefit	0.84	2.0	0.81	1.9	0.86	2.0
Defined contribution	0.86	2.0	1.16	2.8	0.76	1.8
Legally required benefits	3.10	7.4	3.00	7.1	3.14	7.5
Social Security and Medicare	2.31	5.5	2.35	5.6	2.29	5.5
Social Security ⁽³⁾	1.82	4.3	1.87	4.4	1.81	4.3
Medicare	0.49	1.2	0.48	1.1	0.49	1.2
Federal unemployment insurance	0.02	0.1	0.02	0.1	0.02	0.1
State unemployment insurance	0.25	0.6	0.24	0.6	0.25	0.6
Workers' compensation	0.53	1.3	0.38	0.9	0.57	1.4

Note: See footnotes at end of table.

Table 1. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by census region and division, September 2018 - Continued

Compensation component	Census region and division ⁽¹⁾							
	South		South divisions					
	Cost	Percent	South Atlantic		East South Central		West South Central	
			Cost	Percent	Cost	Percent	Cost	Percent
Total compensation	\$31.13	100.0	\$31.27	100.0	\$26.87	100.0	\$32.94	100.0
Wages and salaries	22.14	71.1	22.18	70.9	18.89	70.3	23.65	71.8
Total benefits	8.99	28.9	9.09	29.1	7.98	29.7	9.29	28.2
Paid leave	2.12	6.8	2.17	6.9	1.75	6.5	2.21	6.7
Vacation	1.08	3.5	1.12	3.6	0.89	3.3	1.12	3.4
Holiday	0.65	2.1	0.64	2.0	0.58	2.2	0.70	2.1
Sick	0.25	0.8	0.26	0.8	0.19	0.7	0.27	0.8
Personal	0.14	0.4	0.15	0.5	0.09	0.4	0.14	0.4
Supplemental pay	1.00	3.2	0.94	3.0	0.84	3.1	1.19	3.6
Overtime and premium ⁽²⁾	0.31	1.0	0.25	0.8	0.27	1.0	0.42	1.3
Shift differentials	0.07	0.2	0.09	0.3	0.08	0.3	0.05	0.2
Nonproduction bonuses	0.62	2.0	0.60	1.9	0.49	1.8	0.72	2.2
Insurance	2.35	7.6	2.42	7.7	2.36	8.8	2.24	6.8
Life	0.05	0.2	0.05	0.2	0.04	0.2	0.05	0.1
Health	2.21	7.1	2.26	7.2	2.23	8.3	2.11	6.4
Short-term disability	0.05	0.2	0.06	0.2	0.05	0.2	0.04	0.1
Long-term disability	0.04	0.1	0.05	0.1	0.04	0.2	0.04	0.1
Retirement and savings	1.18	3.8	1.24	4.0	0.99	3.7	1.16	3.5
Defined benefit	0.50	1.6	0.54	1.7	(*) .38	1.4	0.48	1.5
Defined contribution	0.68	2.2	0.70	2.2	0.61	2.3	0.68	2.1
Legally required benefits	2.33	7.5	2.32	7.4	2.04	7.6	2.49	7.6
Social Security and Medicare	1.85	5.9	1.84	5.9	1.63	6.0	1.97	6.0
Social Security ⁽³⁾	1.48	4.8	1.47	4.7	1.31	4.9	1.57	4.8
Medicare	0.37	1.2	0.37	1.2	0.31	1.2	0.39	1.2
Federal unemployment insurance	0.03	0.1	0.03	0.1	0.03	0.1	0.02	0.1
State unemployment insurance	0.08	0.3	0.08	0.2	0.07	0.2	0.10	0.3
Workers' compensation	0.38	1.2	0.38	1.2	0.32	1.2	0.40	1.2

Note: See footnotes at end of table.

Table 1. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by census region and division, September 2018 - Continued

Compensation component	Census region and division ⁽¹⁾					
	Midwest		Midwest divisions			
	Cost	Percent	East North Central		West North Central	
			Cost	Percent	Cost	Percent
Total compensation	\$31.17	100.0	\$31.45	100.0	\$30.52	100.0
Wages and salaries	21.68	69.5	21.76	69.2	21.48	70.4
Total benefits	9.49	30.5	9.69	30.8	9.04	29.6
Paid leave	2.10	6.7	2.14	6.8	2.01	6.6
Vacation	1.14	3.7	1.16	3.7	1.09	3.6
Holiday	0.62	2.0	0.64	2.0	0.58	1.9
Sick	0.23	0.7	0.22	0.7	0.23	0.8
Personal	0.11	0.4	0.11	0.4	0.11	0.4
Supplemental pay	1.01	3.2	1.07	3.4	0.89	2.9
Overtime and premium ⁽²⁾	0.31	1.0	0.32	1.0	0.28	0.9
Shift differentials	0.08	0.3	0.08	0.2	0.08	0.3
Nonproduction bonuses	0.62	2.0	0.67	2.1	0.53	1.7
Insurance	2.70	8.7	2.78	8.8	2.53	8.3
Life	0.04	0.1	0.04	0.1	0.04	0.1
Health	2.55	8.2	2.62	8.3	2.38	7.8
Short-term disability	0.07	0.2	0.07	0.2	0.06	0.2
Long-term disability	0.05	0.2	0.05	0.2	0.05	0.2
Retirement and savings	1.22	3.9	1.24	3.9	1.15	3.8
Defined benefit	0.45	1.4	0.50	1.6	0.34	1.1
Defined contribution	0.76	2.5	0.74	2.4	0.81	2.7
Legally required benefits	2.47	7.9	2.47	7.9	2.46	8.0
Social Security and Medicare	1.86	6.0	1.86	5.9	1.86	6.1
Social Security ⁽³⁾	1.50	4.8	1.50	4.8	1.50	4.9
Medicare	0.36	1.2	0.36	1.2	0.36	1.2
Federal unemployment insurance	0.03	0.1	0.03	0.1	0.03	0.1
State unemployment insurance	0.15	0.5	0.17	0.5	0.12	0.4
Workers' compensation	0.43	1.4	0.42	1.3	0.45	1.5

Note: See footnotes at end of table.

Table 1. Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by census region and division, September 2018 - Continued

Compensation component	Census region and division ⁽¹⁾					
	West		West divisions			
	Cost	Percent	Mountain		Pacific	
			Cost	Percent	Cost	Percent
Total compensation	\$37.38	100.0	\$33.06	100.0	\$39.42	100.0
Wages and salaries	26.47	70.8	23.79	72.0	27.74	70.4
Total benefits	10.91	29.2	9.27	28.0	11.68	29.6
Paid leave.....	2.61	7.0	2.26	6.8	2.77	7.0
Vacation.....	1.32	3.5	1.15	3.5	1.40	3.6
Holiday	0.80	2.1	0.67	2.0	0.86	2.2
Sick.....	0.35	0.9	0.29	0.9	0.38	1.0
Personal	0.13	0.4	0.14	0.4	0.12	0.3
Supplemental pay.....	1.00	2.7	0.90	2.7	1.05	2.7
Overtime and premium ⁽²⁾	0.25	0.7	0.23	0.7	0.26	0.7
Shift differentials.....	0.04	0.1	0.05	0.1	0.03	0.1
Nonproduction bonuses	0.71	1.9	0.62	1.9	0.75	1.9
Insurance.....	2.85	7.6	2.38	7.2	3.07	7.8
Life.....	0.04	0.1	0.04	0.1	0.05	0.1
Health	2.71	7.2	2.23	6.8	2.93	7.4
Short-term disability.....	0.05	0.1	0.05	0.2	0.04	0.1
Long-term disability	0.05	0.1	0.05	0.2	0.05	0.1
Retirement and savings.....	1.46	3.9	1.19	3.6	1.58	4.0
Defined benefit	0.54	1.5	0.30	0.9	0.66	1.7
Defined contribution	0.91	2.4	0.89	2.7	0.93	2.3
Legally required benefits	3.00	8.0	2.55	7.7	3.21	8.1
Social Security and Medicare.....	2.16	5.8	2.00	6.0	2.23	5.7
Social Security ⁽³⁾	1.72	4.6	1.61	4.9	1.78	4.5
Medicare.....	0.43	1.2	0.39	1.2	0.46	1.2
Federal unemployment insurance.....	0.07	0.2	0.03	0.1	0.09	0.2
State unemployment insurance.....	0.19	0.5	0.13	0.4	0.21	0.5
Workers' compensation.....	0.58	1.6	0.39	1.2	0.67	1.7

Footnotes:

(1) The States that comprise the census divisions are: New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont; Middle Atlantic: New Jersey, New York, and Pennsylvania; South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; East South Central: Alabama, Kentucky, Mississippi, and Tennessee; West South Central: Arkansas, Louisiana, Oklahoma, and Texas; East North Central: Illinois, Indiana, Michigan, Ohio, and Wisconsin; West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and Pacific: Alaska, California, Hawaii, Oregon, and Washington.

(2) Includes premium pay (such as overtime, weekends, and holidays) for work in addition to the regular work schedule.

(3) Social Security refers to the Old-Age, Survivors, and Disability Insurance (OASDI) program.

Note: The sum of individual items may not equal totals due to rounding.

(*) The relative standard error for this estimate is greater than 30 percent.